

2011 Property Tax Report

Floyd County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Floyd County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Floyd County

The average homeowner saw a 13.5% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 15.3% lower than they were in 2007, before the property tax reforms.

87.9% of homeowners saw lower tax bills in 2011 than in 2007.

59.5% of homeowners saw tax increases of between 10% and 19% from 2010 to 2011.

The largest percentage of homeowners have seen between a 10% and 19% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	16,083	92.8%	2,014	11.6%
No Change	500	2.9%	78	0.5%
Lower Tax Bill	744	4.3%	15,235	87.9%
Average Change in Tax Bill	13.5%		-15.3%	
Detailed Change in Tax Bill				
20% or More	3,077	17.8%	415	2.4%
10% to 19%	10,302	59.5%	540	3.1%
1% to 9%	2,704	15.6%	1,059	6.1%
0%	500	2.9%	78	0.5%
-1% to -9%	469	2.7%	3,041	17.6%
-10% to -19%	129	0.7%	5,981	34.5%
-20% to -29%	39	0.2%	3,438	19.8%
-30% to -39%	32	0.2%	1,400	8.1%
-40% to -49%	18	0.1%	518	3.0%
-50% to -59%	18	0.1%	225	1.3%
-60% to -69%	7	0.0%	147	0.8%
-70% to -79%	8	0.0%	112	0.6%
-80% to -89%	4	0.0%	81	0.5%
-90% to -99%	3	0.0%	50	0.3%
-100%	17	0.1%	242	1.4%
Total	17,327	100.0%	17,327	100.0%

Note: Percentages may not total due to rounding.

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LOSS OF STATE HOMESTEAD CREDIT, LOWER LOCAL HOMESTEAD CREDITS AND HIGHER TAX RATES RAISE HOMEOWNER TAX BILLS

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Homestead Property Taxes

Homestead property taxes increased 13.5% on average in Floyd County in 2011. This was much more than the state average of 4.4%. Floyd County homestead taxes were still 15.3% lower in 2011 than they were in 2007, before the big tax reform. Several reasons contributed to this tax increase. The state homestead credit was phased out. It had been 3.9% in 2010. In addition, Floyd County's local homestead credit declined in 2011, due to a drop in the local income tax revenues that fund it. Tax rates increased. The tax bill increase was somewhat limited by the tax caps. The share of homeowners receiving tax cap credits was 7.9% in 2011, up from 2.2% in 2010.

Tax Rates

Property tax rates increased in all Floyd County tax districts. The average tax rate increased by 7.4% because the increase in the levy exceeded a smaller increase in net assessed value. Levies in Floyd County increased by 7.8%. The biggest levy increases were in the New Albany-Floyd County Consolidated Schools debt service and bus replacement funds and in the county health and reassessment funds. Floyd County's total net assessed value increased 1.3% in 2011. (The certified net AV used to compute tax rates rose by 0.3%.) Homestead and agricultural net assessments were relatively flat. Other residential assessments showed an increase at 3.2%, while business net assessments increased by 2.8%.

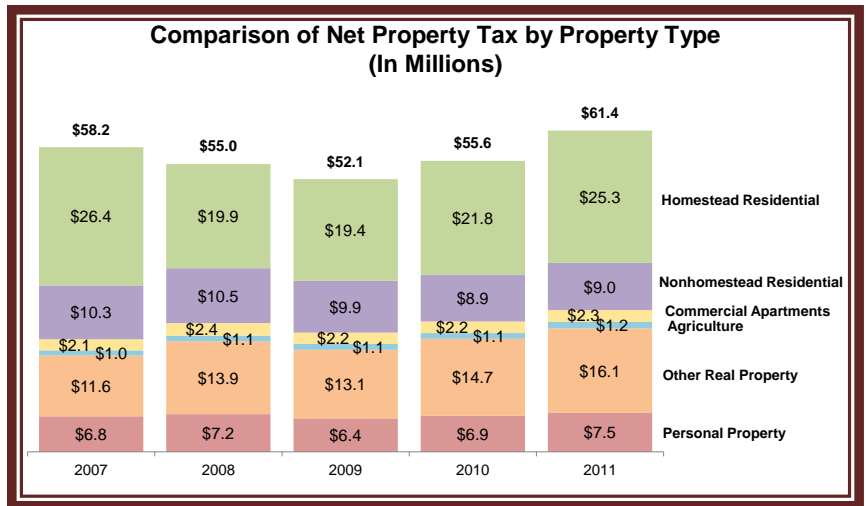
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INCREASES IN TAX BILLS FOR ALL PROPERTY TYPES, DUE TO HIGHER TAX RATES

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 10.4% in Floyd County in 2011, higher than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 1.0%. Tax bills for commercial apartments increased 6.6%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 9.2%. These tax bill increases reflect the rise in Floyd County tax rates. Agricultural tax bills rose 8.3%. This was due to higher tax rates and the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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TAX CAP CREDITS INCREASED IN 2011 DUE TO HIGHER TAX RATES AND LOWER TAX CREDITS

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Total tax cap credit losses in Floyd County were \$1.9 million, or 3% of the levy. This was less than the state average loss rate of 9.2%, but near the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Floyd County's tax rates were a bit less than the state median.

Three-quarters of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. Floyd has no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage losses were in the city of New Albany and the units that share taxing districts with the city. Tax rates in these districts exceed \$2. The largest dollar losses were in the New Albany-Floyd School Corporation and the city of New Albany.

Floyd County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$88,943	\$1,028,190	\$0	\$39,523	\$1,156,656	1.9%
2011 Tax Cap Credits	343,665	1,487,755	0	79,909	1,911,329	3.0%
Change	\$254,723	\$459,564	\$0	\$40,386	\$754,673	1.0%

Tax cap credits rose in Floyd County in 2011 by \$754,673, or 65%. The additional credits represent an

added loss of 1% of the total tax levy. Most of the increase in tax cap credits was in the 2% tax cap category, the result of increased tax rates. The elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits added to the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had some effect on Floyd County assessments for pay-2011. Homestead property values and construction activity increased little in Floyd County in 2009. Increases in business and other residential values were higher. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. The small increase in assessments helped increase tax rates, and the drop in homestead credits added to tax bills. Both helped increase tax cap credit losses in 2011.

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2009 RECESSION HELPED INCREASE TAX BILLS, WHICH CAUSES ADDED TAX CAP REVENUE LOSSES

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$3,353,624,196	\$3,381,148,503	0.8%	\$1,592,589,883	\$1,592,795,749	0.0%
Other Residential	449,298,250	463,068,100	3.1%	447,200,772	461,620,980	3.2%
Ag Business/Land	75,357,240	75,117,600	-0.3%	74,859,240	74,237,850	-0.8%
Business Real/Personal	1,264,675,030	1,301,718,550	2.9%	1,010,910,854	1,038,921,049	2.8%
Total	\$5,142,954,716	\$5,221,052,753	1.5%	\$3,125,560,749	\$3,167,575,628	1.3%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Floyd County Levy Comparison by Taxing Unit

Taxing Unit						%Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	78,346,229	85,584,171	51,562,359	54,964,110	59,231,097	9.2%	-39.8%	6.6%	7.8%
State Unit	83,444	86,572	0	0	0	3.7%	-100.0%		
Floyd County	9,051,776	11,884,750	6,787,317	6,916,536	7,360,546	31.3%	-42.9%	1.9%	6.4%
Franklin Township	11,268	11,664	9,211	10,885	11,129	3.5%	-21.0%	18.2%	2.2%
Georgetown Township	76,585	5,909	0	0	0	-92.3%	-100.0%		
Greenville Township	100,548	107,736	97,136	99,057	99,188	7.1%	-9.8%	2.0%	0.1%
Lafayette Township	33,106	24,991	23,231	24,758	24,482	-24.5%	-7.0%	6.6%	-1.1%
New Albany Township	168,752	176,934	170,885	197,017	211,864	4.8%	-3.4%	15.3%	7.5%
New Albany Civil City	12,010,081	12,282,791	10,578,858	12,136,405	12,122,954	2.3%	-13.9%	14.7%	-0.1%
Georgetown Civil Town	229,587	244,933	248,394	259,546	265,809	6.7%	1.4%	4.5%	2.4%
Greenville Civil Town	18,555	18,933	12,450	17,776	17,706	2.0%	-34.2%	42.8%	-0.4%
New Albany-Floyd County Consol .Schools	51,811,606	56,466,500	29,441,281	30,382,102	33,828,504	9.0%	-47.9%	3.2%	11.3%
New Albany-Floyd County Public Library	1,867,053	1,662,901	1,403,920	1,720,015	1,778,299	-10.9%	-15.6%	22.5%	3.4%
New Albany Flood Control	858,844	855,419	576,667	575,858	572,851	-0.4%	-32.6%	-0.1%	-0.5%
Floyd County Solid Waste Mgt. District	0	0	0	0	0				
Georgetown Township Fire District	739,612	553,734	814,260	938,450	1,259,388	-25.1%	47.0%	15.3%	34.2%
Lafayette Township Fire District	586,660	439,283	560,994	613,923	629,362	-25.1%	27.7%	9.4%	2.5%
New Albany Township Fire District	698,752	761,121	837,755	1,071,782	1,049,015	8.9%	10.1%	27.9%	-2.1%
City of New Albany Redevelopment	0	0	0	0	0				

Floyd County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
22001	Franklin Township	1.5024	--	--	5.8509%	--	--	--	1.4145
22002	Georgetown Township	1.8178	--	--	5.8509%	--	--	--	1.7114
22003	Georgetown Town	2.1161	--	--	5.8509%	--	--	--	1.9923
22004	Greenville Township	1.5246	--	--	5.8509%	--	--	--	1.4354
22005	Greenville Town	1.5611	--	--	5.8509%	--	--	--	1.4698
22006	Lafayette Township	1.6349	--	--	5.8509%	--	--	--	1.5392
22007	New Albany Township	1.6738	--	--	5.8509%	--	--	--	1.5759
22008	New Albany City	2.4465	--	--	5.8509%	--	--	--	2.3034

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Floyd County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	343,665	1,487,481	0	79,909	1,911,055	59,231,097	3.2%
<i>TIF Total</i>	0	274	0	0	274	5,429,809	0.0%
<i>County Total</i>	343,665	1,487,755	0	79,909	1,911,329	64,660,906	3.0%
Floyd County	35,032	149,477	0	9,380	193,889	7,360,546	2.6%
Franklin Township	3	0	0	2	5	11,129	0.0%
Georgetown Township	0	0	0	0	0	0	
Greenville Township	0	0	0	54	54	99,188	0.1%
Lafayette Township	4	0	0	13	17	24,482	0.1%
New Albany Township	1,617	6,942	0	336	8,895	211,864	4.2%
New Albany Civil City	124,747	553,444	0	19,980	698,171	12,122,954	5.8%
Georgetown Civil Town	521	3,296	0	299	4,116	265,809	1.5%
Greenville Civil Town	0	0	0	36	36	17,706	0.2%
New Albany-Floyd County Consol. Schools	165,430	707,259	0	43,408	916,097	33,828,504	2.7%
New Albany-Floyd County Public Library	8,696	37,179	0	2,282	48,157	1,778,299	2.7%
New Albany Flood Control	5,895	26,152	0	944	32,991	572,851	5.8%
Floyd County Solid Waste Mgt. District	0	0	0	0	0	0	
Georgetown Township Fire District	800	3,732	0	1,501	6,033	1,259,388	0.5%
Lafayette Township Fire District	95	0	0	342	437	629,362	0.1%
New Albany Township Fire District	824	0	0	1,334	2,158	1,049,015	0.2%
City of New Albany Redevelopment	0	0	0	0	0	0	
TIF - New Albany Township 007	0	0	0	0	0	992,997	0.0%
TIF - New Albany City 008	0	274	0	0	274	4,436,812	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.